

TOP SECRET

THE PRESIDENT'S INTELLIGENCE CHECKLIST--21 JULY 1962

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2. SOUTH VIETNAM:

THE VIET CONG SPLATTERED SAIGON WITH HAND GRENADES YESTERDAY IN OBSERVANCE OF THE ANNIVERSARY OF THE 1954 GENEVA AGREEMENTS. IT APPEARS, HOWEVER, THAT THIS WAS NO MERE HOLIDAY MANIFESTATION, BUT A FORETASTE OF THINGS TO COME. WE HAVE REPORTS THAT 300-500 VIET CONG MILITARY TYPES HAVE BEEN SLIPPED INTO THE SAIGON AREA LATELY TO GET READY FOR A CAMPAIGN OF SYSTEMATIC TERRORISM. THEIR OBJECTIVE WOULD BE TWO-FOLD: TO PANIC THE CAPITAL'S POPULATION, AND TO TIE DOWN ELITE GOVERNMENT TROOPS THERE IN THE FALL, WHEN IT IS EXPECTED THAT COMMUNIST MILITARY FORCES ELSEWHERE IN THE COUNTRY WILL TRY TO MOVE INTO HIGHER GEAR.

3. LAOS:

- A. PRESS REPORTS FROM GENEVA THIS MORNING SAY THAT THE FOREIGN MINISTERS' MEETING HAS PUT THE FINAL TOUCHES ON AN AGREEMENT, CLEAR-ING THE WAY FOR SIGNING ON MONDAY.
- B. SOUVANNA HAS TURNED DOWN PLEAS FROM VIENTIANE THAT HE CANCEL HIS TRIP TO THE US AND RETURN HOME TO REFEREE BETWEEN PHOUMI AND SOUPHANNOUVONG. LAOTIAN FOREIGN MINISTER QUINIM, ORIGINALLY OMITTED FROM SOUVANNA'S US ENTOURAGE AND MUCH MIFFED ABOUT IT, IS NOW ON THE LIST TO COME.
- C. SOUVANNA HAS REGISTERED SATISFACTION AT THE NEWS THAT THE US
 IS MAKING A JULY CASH GRANT, AND INDICATES THAT HE IS LOOKING FORWARD TO DISCUSSION ON A PERMANENT AID ARRANGEMENT WHILE IN WASHINGTON.
- D. WHETHER BECAUSE OF DIVIDED COUNSELS OR SHEER CONFUSION IN VIENTIANE, THE FENCING MATCH BETWEEN THE NATIONALIST AND COMMUNIST CHINESE

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OVER DIPLOMATIC RECOGNITION IS BEING ALLOWED TO CONTINUE. THE NATIONALIST ENVOY HAS GOTTEN AS FAR AS PRESENTING HIS CREDENTIALS TO THE KING, BUT THE COMMUNIST MISSION ON THE SCENE IS CONFIDENT ENOUGH OF THE FUTURE THAT IT IS LOOKING FOR A LONG-TERM LEASE ON PROPERTY IN VIENTIANE.

4. PORTUGAL:

OUR PEOPLE IN LISBON ARE BEGINNING TO DETECT SOME LIFTING OF THE
COLD FRONT WHICH HAS BEEN CHILLING THEM FOR THE PAST SEVERAL MONTHS.
THE GOVERNMENT HAS PROMISED TO PROVIDE OUR EMBASSY SOMETIME NEXT WEEK
WITH AN INVENTORY OF ITS GRIEVANCES AGAINST THE US, THE IDEA BEING TO
GET THESE OUT IN THE OPEN FOR DISCUSSION IN ORDER TO CLEAR THE AIR FOR
RENEGOTIATION OF THE AZORES BASE AGREEMENT. WE SUSPECT THAT PORTUGUESE
INTEREST IN RENEWAL OF THE AGREEMENT IS GROWING AT ABOUT THE SAME RATE
AS THEIR POCKETBOOK IS SHRINKING FROM THE INCESSANT DRAIN OF THEIR OPERATIONS IN ANGOLA. HOWEVER, LISBON HAS ALSO GIVEN A FAIRLY RESPECTFUL
HEARING TO A US SUGGESTION FOR AN IMPARTIAL SURVEY AND REPORT ON ANGOLA,
WHICH COULD BE A SIGN OF SOME GENUINE MELLOWING.

5. COMMUNIST CHINA:

HAS BEEN CONTENDING FOR SOME WEEKS:

THAT THERE IS WIDESPREAD AND CHRONIC UNREST IN SOUTHERN CHINA, PARTICULARLY IN KWANGTUNG PROVINCE. THE PARTY BOSS IN THE AREA PUT SOME OF
HIS DIRTY LINEN ON PUBLIC DISPLAY IN CANTON EARLIER THIS MONTH WHEN HE
ADMITTED TO A STEEP INCREASE IN OVERTLY "COUNTERREVOLUTIONARY" ACTIVITY,
AS WELL AS A GOOD DEAL OF LESS VIRULENT DISCONTENT WHICH HE BLAMED ON
"TEMPORARY" ECONOMIC DIFFICULTIES.

6, PERU:

- A. THE JUNTA'S DISTRESS OVER THE US ATTITUDE IS NOW SHOWING PLAINLY. THE JUNTA PUT OUT A DECLARATION LATE YESTERDAY, CONTENDING IN A PLAINTIVE VEIN THAT ITS GOOD INTENTIONS ARE BEING OVERLOOKED IN WASHINGTON, AND THERE ARE REPORTS THAT IT WILL TRY TO SEND A COMMISSION HERE TO ARGUE ITS CASE. AMBASSADOR LOEB REPORTS THAT HE IS REBUFFING ATTEMPTS BY THE MILITARY TO ESTABLISH CONTACT WITH HIM.
- B. INTERMITTENT RIOTING IS CONTINUING IN LIMA, BUT NOTHING LIKE A COORDINATED OPPOSITION HAS DEVELOPED. THE CONFEDERATION OF LABOR SAYS, HOWEVER, THAT A GENERAL STRIKE WILL BE LAUNCHED ON MONDAY.

NOTES

Α.	PUBLIC OPINION POLLS IN BRITAIN ARE SHOWING AN ALARMING RISE IN	
	SENTIMENT AGAINST EEC MEMBERSHIP	50X1

- B. IN BRITISH GUIANA, JAGAN'S PROGRESSIVE PARTY HAS SCHEDULED DEMON-STRATIONS FOR SUNDAY IN GEORGETOWN TO PROTEST POSTPONEMENT OF IN-DEPENDENCE. OPPOSITION PARTIES ARE ORGANIZING A COUNTERDEMONSTRA-TION TO PROTEST JAGAN.
- C. SINGAPORE'S LEFTIST PARTIES, ANGRY THAT THE IMMINENT REFERENDUM
 ON MERGER WITH MALAYA AND BORNEO IS SO WORDED AS TO PREVENT A VOTE
 AGAINST IT, ARE PLANNING A STOP-WORK PROTEST CAMPAIGN WHICH COULD
 EASILY SPILL OVER INTO VIOLENCE.
- D. FRENCH-TUNISIAN RELATIONS ARE TAKING A TURN FOR THE BETTER. RESUMPTION OF DIPLOMATIC RELATIONS WAS ANNOUNCED YESTERDAY, AND THE
 TUNISIAN SECRETARY OF STATE RETURNED FROM PARIS TODAY SAYING THAT
 THE FRENCH HAD AGREED TO TUNISIA'S TERMS FOR SETTLING THE BIZERTE
 NAVAL BASE ISSUE.
- E. PRESIDENT AROSEMENA OF ECUADOR, EN ROUTE TO WASHINGTON, STOPPED IN VENEZUELA YESTERDAY FOR TALKS WITH BETANCOURT. PERU SEEMS TO HAVE PUSHED WHATEVER ELSE THEY MAY HAVE INTENDED TO TALK ABOUT INTO THE BACKGROUND.

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